

Uncovering Private Credit Markets: Amsterdam, 1660-1809

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Abstract¹

Credit markets contribute to economic development when they allocate capital through secure and enforceable contracts. Surprisingly little is known, however, about what these markets looked like and how they functioned in the Dutch Republic. By analysing three archival collections from Amsterdam this article attempts to fill this lacuna. It documents a large and developed non-intermediated credit market that relied on standardised loan forms. These forms were cast in the correct legal terms, could be purchased across the city, and cost little. Where people's own networks did not suffice to mobilise funds, moreover, brokers stood ready to link demand and supply. This shows that pre-industrial societies could successfully mobilise large amounts of credit even where banks were absent.

¹ The authors would like to thank Michael Milo for his help with the married couples form, Yannick Slagter for research assistance, Bart Schuurman and Janine Grünfeld for referring and giving access to collections at the Amsterdam City Archive, and the editors and referees of this journal, Oscar Gelderblom, Joost Jonker, and seminar participants at Erasmus University Rotterdam, University of California at Riverside, Utrecht University, and the 9th European Historical Economics Society Conference for valuable comments and suggestions. The authors carried out the research for this article within the Vidi-Euryi sponsored project *The Evolution of Financial Markets in Pre-Industrial Europe. A Comparative Analysis*.

1 Introduction

Economic development relies on credit markets with secure and enforceable loan contracts and a good allocation of capital.² In other words, credit markets in which businesses and households with cash shortages succeed in attracting money from those that have surpluses. England's rapid nineteenth-century growth has been considered the hallmark case of this and its success has been traced back to the emergence of secure property rights and banks.³ Private credit markets in the Dutch Republic, the first economy to develop a good financial system according to Sylla, have received little attention in these respects, however.⁴ This lack of attention is all the more surprising as Dutch credit markets did without deposit banks until the 1870s.⁵ While credit was intermediated by notaries and aldermen in other parts of pre-industrial Europe, data for the Dutch Republic suggest

2 See Daron Acemoglu, Simon Johnson and James A. Robinson, 'Institutions as a fundamental cause of long-run growth', in: Philippe Aghion and Steven N. Durlauf (eds.), *Handbook of economic growth* 1A (Amsterdam 2005) 385-472; Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer, Robert Vishny, 'Law and finance', *Journal of Political Economy* 106:6 (1998) 1113-1155; Ross Levine, 'Law, finance, and economic growth', *Journal of Financial Intermediation* 8 (1999) 8-35; Thorsten Beck and Ross Levine, 'Legal institutions and financial development', in: Claude Ménard and Mary M. Shirley (eds.), *Handbook of new institutional economics* (Dordrecht 2005) 251-278 on enforceable (loan) contracts and Ross Levine, 'Financial development and economic growth. Views and agenda', *Journal of Economic Literature* 35 (1997) 688-726; Ross Levine, 'Finance and growth. Theory and evidence', in: Aghion and Durlauf, *Handbook*, 865-934 on the relationship between finance and economic development.

3 Douglass C. North and Barry R. Weingast, 'Constitutions and commitment. The evolution of institutions governing public choice in seventeenth-century England', *The Journal of Economic History* 49:4 (1989) 803-832; L.S. Pressnell, *Country banking in the industrial revolution* (Oxford 1956); Rondo Cameron, *Banking in the early stages of industrialization. A study in comparative economic history* (Oxford 1967). Cf. Peter Temin and Hans-Joachim Voth, *Prometheus shackled. Goldsmith banks and England's financial revolution after 1700* (Oxford 2013).

4 Richard Sylla, 'Financial systems and economic modernization', *The Journal of Economic History* 62:2 (2002) 277-292; Peter L. Rousseau and Richard Sylla, 'Financial systems, economic growth, and globalization', in: Michael D. Bordo, Alan M. Taylor and Jeffrey G. Williamson (eds.), *Globalization in historical perspective* (Chicago 2003) 373-413; Marjolein 't Hart, Joost Jonker and Jan Luiten van Zanden (eds.), *A financial history of The Netherlands* (Cambridge 1997).

5 Joost Jonker, 'The cradle of modern banking. Finance in the Netherlands between the Napoleonic era and the first commercial banks, 1813-1870', in: Joh. de Vries, Wim Vroom and Ton de Graaf (eds.), *Worldwide banking. ABN AMRO Bank 1824-1999* (Amsterdam 1999) 49-94; Joost Jonker, *Merchants, bankers, and middlemen. The Amsterdam money market during the first half of the 19th century* (Amsterdam 1996).

that these intermediaries did not play a similar role there.⁶ Did other intermediaries, such as brokers, perhaps play a role then or did there, as was the case in rural Württemberg, exist a bustling non-intermediated credit market?⁷ In other words, what did private credit markets in the Dutch Republic look like and how did they function?

De Vries and Van der Woude claimed that a 'tangle of debt and credit linked the Republic's households'. Based on estimates of the real per capita money supply they also surmised that a low velocity of circulation during the eighteenth century resulted in 'cash balances so large as to suggest hoarding'. Connecting this to the functioning of credit markets they argued 'that financial intermediation left much to be desired'.⁸ However, their reliance on cash holdings recorded in probate inventories likely overestimated hoarding, and thus underestimated financial activity, because sickness and imminent death may have raised people's preference for holding cash. The possibility that cash was simply held for unexpected expenses or opportunities should be considered as well. Rich investors keeping 2 to 4 percent of their wealth in cash does not seem excessive in this respect and they did not like to keep too much money laying idle either.⁹ Jonker documented a substantial securities-backed credit market, but these loans only

6 See Philip T. Hoffman, Gilles Postel-Vinay and Jean-Laurent Rosenthal, *Priceless markets. The political economy of credit in Paris, 1660-1870* (Chicago 2000) for the notaries and Hans-Peter Baum, 'Annuities in late medieval Hanse towns', *Business History Review* 59 (1985) 24-48; Johan Dambryne, 'De 17de-eeuwse schepenregisters en de rente- en immobiliëntransacties te Gent: enkele beschouwingen', *Handelingen der maatschappij voor geschiedenis en oudheidkunde te Gent* 42 (1988) 153-182; H. Soly, 'De schepenregisters als bron voor de conjunctuurgeschiedenis van Zuid- en Noordnederlandse steden in het Ancien Régime. Een concreet voorbeeld: de Antwerpse immobiliënmarkt in de 16de eeuw', *Tijdschrift voor Geschiedenis* 87 (1974) 521-544 for the aldermen. Christiaan van Bochove and Heleen Kole, *The private credit market of eighteenth-century Amsterdam* (paper Utrecht University 2012) shows that notaries and aldermen recorded few loans in the Dutch Republic.

7 Sheilagh Ogilvie, Markus Küpker and Janine Maegraith, 'Household debt in early modern Germany. Evidence from personal inventories', *The Journal of Economic History* 72:1 (2012) 134-167.

8 Jan de Vries and Ad van der Woude, *The first modern economy. Success, failure, and perseverance of the Dutch economy, 1500-1815* (Cambridge 1997) 87-91, 139.

9 The correspondence of Jacoba Catharina van Schoonhoven (The Hague) and her financial adviser Pieter Leonard Stumphius (Rotterdam) shows that Van Schoonhoven was keen on finding investment opportunities, but that she also preferred to hold sufficient cash. See, among others, National Archives, Archief van de familie Van der Staal van Piershil, 1636-1904 (entry number 3.20.54), inv.nr. 353, letter 23-12-1763: 'Het is goedt er weer wat geldt in de banck gekomen is voor het aenspreken als men het weer nodig heeft om het te belegge als andersins [...]' ('It is good that some money has again come into the bank to be used when needed for investments or other purposes [...]').

provided a solution to a limited, richer part of society as securities typically had denominations of 1,000 *guldens*.¹⁰ Despite Jonker's valuable contribution still little is known about the alternatives that these elites used and about how the rest of society contracted loans.

This article analyses loan contracts that were used in Amsterdam from the seventeenth until at least the early nineteenth century to fill this lacuna. These contracts have survived in three archival collections: the ledger of two shopkeepers (1723-1725; 1797-1799), the Insolvency Chamber's archive (1737-1809), and the documents of a silk merchant (1692-1735). These unique collections make it possible to uncover transactions that usually remain hidden from sight. They show that standardisation of loan contracts in pre-printed forms and taxation by the government through the introduction of the stamp duty (*klein zegel*) in 1624 not only determined the physical appearance of loans recorded in writing, but also signal that the market for such loans was large and developed. Loan forms were cheap, could be purchased in well over a hundred bookshops across the city, and were used in all segments of society and the credit market. Loan forms were this successful because they were embedded in the legal system and because they were tailored to the needs of lenders and borrowers. Although the nature of these sources does not allow us to observe the work of intermediaries in detail, this article shows that pre-industrial financial markets without banks were nevertheless able to mobilise large amounts of credit. Additional contemporary sources demonstrate, moreover, that brokers stood ready to match demand and supply for whom this market did not suffice. This shows that the absence of banks from pre-industrial societies did not impede credit markets from successfully mobilising large amounts of credit.

The article first discusses the stamp duty and reviews the implications it had on recording loans and then considers how the frequent use of credit in seventeenth-century Amsterdam led to the introduction of standardised loan forms. Next it discusses the sources, the types and appearance of loan forms, and the way in which these forms were used. The final sections address brokers' intermediation on credit markets and conclude.

¹⁰ Jonker, *Merchants, bankers, and middlemen*.

2 The stamp duty

The province of Holland introduced the stamp duty on 13 August 1624 because it needed revenues to field an army and prevent an expected Spanish invasion. Fears of such an invasion were not ungrounded as hostilities between the Republic and Spain had resumed after the Twelve Years' Truce (1609-1621). As real estate and consumption were already taxed extensively, Holland ventured into taxing transactions of which people wished to have written proof such as testaments, marriage contracts, leases, and loan contracts. The provincial government did so since it had noticed, or so it asserted, that many conflicts arose because of the documents that people drew up. It was therefore stipulated that henceforth documents would only be admissible in litigation when drawn on paper over which stamp duty had been paid. Since contracts were already permitted as proof in litigation before and no changes were made as regarding their content, the stamp duty really was nothing more than a means of increasing government revenues. It should not be precluded, however, that some lenders preferred stamped contracts over unstamped ones because they interpreted the stamp as a form of certification.¹¹

The attempt to tax loans shows that already during the first half of the seventeenth century the credit market had become large enough to make taxation worthwhile. If the province of Holland wished to raise its revenues, however, it had to set incentives such that the stamp duty would not lead to tax evasion. This first of all meant that tax rates should not be too high. In 1638 rates were set at four *stuivers* (0.20 *guldens*) for obligations with a value from 200 to 600 *guldens* and eight *stuivers* (0.40 *guldens*) for larger ones. These rates were raised to six and twelve *stuivers* (0.30 and 0.60 *guldens* respectively) in 1665. In 1677 rates were doubled and 0-100 *guldens* (three *stuivers* or 0.15 *guldens*) and 100-200 *guldens* (six *stuivers* or 0.30

11 Cornelis Cau et al., *Groot Placaet-Boeck* (The Hague [etc.] 1658-1796), I 1994-1997; P.H. Engels, *De belastingen en de geldmiddelen van den aanvang der Republiek tot op heden* (Utrecht 1862) 92-97, 198-199, 350-356; Wantje Fritschy, 'The efficiency of taxation in Holland', in: Oscar Gelderblom (ed.), *The political economy of the Dutch Republic* (Farnham 2009) 55-84, 68-69. Other provinces in the Republic also introduced a stamp duty. See Engels, *Belastingen en geldmiddelen*, 92-97, 198-199, 350-356 and *Gewestelijke financiën ten tijde van de Republiek der Verenigde Nederlanden* (7 volumes; The Hague 1996-2009).

guldens) categories were introduced. In 1745 a larger than 2,000 *guldens* category (48 *stuivers* or 2.40 *guldens*) was added to the top of the spectrum as well. Finally, a new and more refined categorisation was put in place in 1795 when Holland was once more searching for additional revenues.¹²

A logistical operation was required to provide all the stamped paper to the public. The province provided towns with sheets of paper that each contained a stamp mentioning the year and tariff rate. Local town secretaries certified these sheets by adding their signature next to the stamp. The sheets were then sold for the rate on the stamp plus some surcharges. In 1754, for instance, the surcharge for the sheet of paper on which the stamp was printed amounted to eight *penningen* or 0.025 *guldens*.¹³

In addition to these modest rates (see Figure 1), the province of Holland instituted relatively large fines for noncompliance. During the period under review here a fine of 100 *guldens* applied to borrowers who recognised a debt on unstamped paper. Lenders who accepted such a document would receive a fine of 50 *guldens* and the same applied to those who accepted the contract in any subsequent secondary transaction. Justice would only be served, moreover, once the appropriate tax was paid.¹⁴ Since fines were so much higher than fees many will have found it worthwhile to comply with stamp duty regulations. Noncompliance will have occurred most frequently among smaller loans because the stamp duty weighed relatively heavily on those. There, access to litigation probably was less of a concern too because legal expenses were large relative to the principal. Likewise, lenders who expected to be able to enforce (re)payment through informal mechanisms instead of the courts may also have complied less often. The stamp will thus have changed the physical appearance of many, but definitely not all, recorded loans.

12 Cau et al., *Groot Placaet-Boeck*, I 2010-2017; II 3181-3188; III 1020-1037; V 1123-1150; VII 1455-1485; IX 1080-1112. Until around the middle of the seventeenth century tariff increases coincided with inflation. See Jan Luiten van Zanden, 'The prices of the most important consumer goods, and indices of wages and the cost of living in the western part of the Netherlands, 1450-1800', <http://www.iisg.nl/hpw> (11 December 2012).

13 See, for instance, Cau et al., *Groot Placaet-Boeck*, VII 1479-1480; VIII 1151. By the seventeenth century the *penning* had become an accounting coin only. Sixteen of them constituted one *stuiver* and twenty *stuivers* made up one *gulden*.

14 Cau et al., *Groot Placaet-Boeck*, III 1020-1021, 1034; VII 1455-1456, 1475-1476.

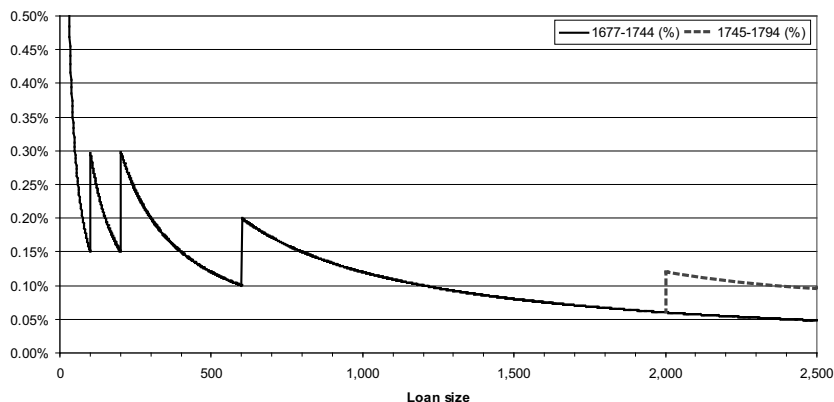


Figure 1. The relative costs of the stamp duty, 1677-1794

Source: Cau et al., *Groot Placaet-Boeck*, III 1020-1307; VII 1455-1485.

3 Standardisation

The emergence of standardised pre-printed forms constituted the second major modification in the appearance of loan contracts. When such forms appeared first is unclear, but it is not unlikely that this coincided with the rise of bookshops during the seventeenth century. A town ordinance shows that already in 1647 bookshops sold stamped paper to notaries, brokers, and private people.¹⁵ Booksellers presumably built on the economies of scale created by Amsterdam's booming economy and growing population when they started offering pre-printed forms.¹⁶ The oldest specimen re-

15 '[...] dat verscheyde Boeck-verkoopers binnen deser Stede hen vervorderen soo aen Notarisen, Makelaers als andere particulieren personen te verkoopen alrehande soorten van bese-gelde francijnjen ende papieren [...]'. See Hermannus Noordkerk, *Handvesten, ofte Privilegien ende Octroyen, Mitsgaders Willekeuren, Costuimen, Ordonnantien en Handelingen der Stad Amstelredam* (Amsterdam 1748), III 229.

16 The emergence of basic and unambiguous loan contracts by the early sixteenth century obviously was a prerequisite too. See Alphons van den Bichelaer, *Het notariaat in Stad en Meierij van 's-Hertogenbosch tijdens de Late Middeleeuwen (1306-1531)* (Amsterdam 1998); A.Fl. Gehlen, *Notariële akten uit de 17e en 18e eeuw. Handleiding voor gebruikers* (Zutphen 1986). Likewise, high literacy levels will have been helpful as well. Lower paper prices, however, unlikely contributed to the rise of the loan forms analysed here. During the hundred years after 1475 paper became cheaper relative to rye bread, but from around 1575 onwards their relative price stabilised. See Van Zanden, 'Prices of the most important consumer goods'. See C.C. van de Graft, *Lotgevallen van een Amsterdams koopmanshuis 1749-1949* (Amsterdam 1949) for the history of the company of the Dronsberg family. The form in Figure 4 was printed by this company.

tried here was signed in 1660 and by the early eighteenth century they had become common enough for Le Moine de l'Espine to discuss them in his famous merchant manual. Silk merchant Simon Bevel, whose borrowing will be discussed in more detail below, used the forms of six different Amsterdam booksellers between 1700 and 1720.¹⁷

Loan forms were typically similar to A4 size and often they were A3-size sheets folded in half. They contained the text of a loan contract to which the contracting parties only had to add their names, the date, and the loan's size, interest rate, and term.¹⁸ Booksellers usually advertised for their businesses by including the name and location of their company, as well as its merchandise, in the header of loan forms.¹⁹ Here they styled themselves in different ways, including book and paper seller, pen and paper seller, art and bookseller, printer, printer and paper seller, and printer and bookseller. Bookseller Dirk Schuurman explicitly advertised that he sold all kinds of stamped paper.²⁰

The number of booksellers who sold loan forms is unknown, but forms that survived in the Insolvency Chamber may provide a lower-bound estimate. By linking company names in the headers with the years in the stamps it could be established when particular booksellers must have been active. The case of Jan Schalker, who owned a shop on the Lelie-

17 J.A. Gruys and C. de Wolf, *Thesaurus 1473-1800. Nederlandse boekdrukkers en boekverkopers, met plaatsen en jaren van werkzaamheid* (Nieuwkoop 1989); Bibliopolis, <http://www.bibliopolis.nl> (11 December 2012). Pit Dehing, *Geld in Amsterdam. Wisselbank en wisselkoersen, 1650-1725* (Hilversum 2012) 92, 105 and Eric Slot, *Vijf gulden eeuwen. Momenten uit 500 jaar gemeentefinanciën* (Amsterdam 1990) 58 wrongly interpreted the oldest loan forms as receipts from the Wisselbank. Jacques le Moine de l'Espine, *Le negoce d'Amsterdam* (Amsterdam 1710) 40-41 briefly mentioned loan forms, but later editions treated them rather elaborately.

18 Besides Amsterdam, the use of loan forms can so far be documented in Haarlem and Leeuwarden. See Amsterdam City Archive (further ACA), Archief van de Familie Brants en Aanverwante Families (entry number 88) (further Brants), inv.nrs. 1743, 1744A, 1744B for a Haarlem form stamped in 1687 and signed in 1693. See *Leeuwarder Courant*, 14-06-1775 for forms in Leeuwarden. *Ommelander courant*, 30-11-1787, 07-05-1793, 12-06-1795 and *Middelburgsche courant*, 21-10-1758, 31-01-1760, 26-04-1760, 02-08-1760, 01-07-1762, 30-12-1762 contain evidence of all kinds of printed financial forms – including bottomry loans, but not regular ones – in the towns of Groningen and Middelburg. See Leo Adriaenssen, 'Spaanse wol voor Tilburg', *Tilburg, tijdschrift voor geschiedenis, monumenten en cultuur* 17:1 (1999) 3-16 for a loan form signed in 1664 in Tilburg in which the lender's name, that of Rotterdam merchant Paulus Verschueren, was also pre-printed. This evidence suggests that (loan) forms were used throughout the Republic.

19 Booksellers J. Groenewout Jansz. and C. Groenewout each ran a shop at a different location, but the header of their form advertised both companies. Using a form's header to advertise was not restricted to loan forms and can also be documented for lease forms. See Clé Lesger, *Huur en conjunctuur. De woningmarkt in Amsterdam, 1550-1850* (Amsterdam 1986) 63, 88, 97, 177.

20 'Deeze en alle soorten van Gezegelde Papieren'.

gracht, may be used to illustrate the procedure. In this particular collection Schalker can be found as a seller of loan forms with stamps dated 1775-1776, 1778, 1781-1782, 1784-1787, 1789-1791, 1793-1797, and 1799. The intermittences obviously do not mean that Schalker did not sell forms in those years, but rather that there were no insolvencies in which his forms were involved. Given his prolonged activity as a seller of loan forms it is likely, however, that Schalker also sold them in 1783 and 1788, for example. It is therefore assumed that Schalker started selling loan forms in 1775 and stopped in 1799. Applying this method to the other forms yields a minimum of over fifty booksellers during the late 1780s. Given the particular nature of the source used for this analysis it is not unlikely that bookshops throughout Amsterdam sold loan forms. According to Le Moine de l'Espine loan forms could indeed be purchased from every bookseller.²¹ This would mean that the number of shops selling loan forms exceeded 150 throughout the period under review here.²²

The geographical threshold to purchase loan forms was low. Many shops were located in the commercial district, but loan forms were also sold in other and poorer neighbourhoods. In the western part of town this included the Anjeliërsgracht, Haarlemmerdijk, Laurierstraat, Lindengracht, Rozengracht, and Tweede Tuindwarsstraat. And in the eastern part of town this included the Geldersekaade, Jodenbreestraat, Schippersgracht, Sint Antoniesbreestraat, Wittenburgergracht, and Zeedijk. The same applied with respect to costs. A newspaper advertisement in Leeuwarden, a town in the province of Frisia with around 15,000 inhabitants, offered them at a cost of only one *stuiver* (0.05 *guldens*).²³ In Amsterdam, with its more vibrant economy and larger number of bookshops, prices surely will not have been higher. The wide availability of cheap and standardised loan forms

21 '[E]en gedrukte Obligatie [...], gelyk men by alle Boekverkoopers deser Stadt kan te koop krygen'. Jacques le Moine de l'Espine, *De koophandel van Amsterdam* (Rotterdam 1753) 573-574. 22 In 1742 there were 136 shops selling books or paper according to W.F.H. Oldewelt, *Kohier van de personeele quotisatie te Amsterdam over het jaar 1742 I* (Amsterdam 1945). Arie Cornelis Kruseman, *Aanteekeningen betreffende den boekhandel van Noord-Nederland in de 17e en 18e eeuw* (Amsterdam 1893) 497 mentions even more publishers and booksellers. It is not unlikely that Oldewelt's figure represents an underestimate because some shopkeepers probably did not make the 600-*gulden* threshold to be included in his tax register, the *Personele Quotisatie*.

23 'Te Leeuwarden by G. TRESLING zyn te bekomen: Gedrukte OBLIGATIEN, zeer dienstig voor die geene die Geld Negotieeren of Geld uitzetten, kost op best Schryfpapier één Stuver.' *Leeuwarder Courant*, 14-06-1775. Tresling placed this advertisement at other moments as well. Jan de Vries, *European Urbanization 1500-1800* (Cambridge [Mass.] 1984) 271. *Middelburgsche courant*, 31-01-1760, 26-04-1760, 02-08-1760 priced forms at 0.5 *stuivers* (bond transfers), 1.5 *stuivers* (rent contracts) and 2 *stuivers* (bottomy loans).

must have greatly facilitated the recording of loans and may also have diminished the threshold for lending (and thus have increased the number of transactions).

Figure 2. Loan contracts and sources used in this paper

	Handwritten	Form
Stamped	Bevel Insolvency Chamber	Bevel Insolvency Chamber
Unstamped	Bevel Insolvency Chamber Hendrick Estinghuijsen and Fransiscus de Witt	Hendrick Estinghuijsen and Fransiscus de Witt

Source: See text.

4 Sources

Based on the foregoing, Figure 2 schematically represents the four possible shapes a loan contract could take. Analysing these four types of privately recorded loans systematically is difficult because sources have often not survived. The remainder of this article uses contracts of successfully completed transactions that survived by chance as well as contracts on which the borrower defaulted. These contracts stem from three archival collections.

First, the archive of Simon Bevel (1669-1736).²⁴ Bevel, a Haarlem silk merchant who had turned a small inheritance into a big business, regularly borrowed in Amsterdam to finance his silk trade. Purchases of silk from the Dutch East India Company were often paid for by his lenders. Loans were secured by a general mortgage (i.e. person and goods) and in many in-

²⁴ Leonie van Nierop, 'Brieven van den Amsterdamschen makelaar Robert Hennebo aan den Haaremschen zijdereeder Simon Bevel over Engelsche fondsen (1735-1736)', *Economisch-historisch jaarboek* 17 (1931) 47-80; I.H. van Eeghen, *Archief van de familie Brants en aanverwante families* (version 43.1) (Amsterdam 2011).

stances supplies of silk were handed over as collateral. Bevel's archive contains bundles of loan contracts, 323 made during the period 1692-1735, returned to him by his lenders after he had redeemed his loans.²⁵ While most of the contracts were handwritten, a little more than 8 percent of Bevel's loans were recorded on forms purchased in Haarlem and Amsterdam. It is not clear what motivated Bevel to rely so strongly on handwritten contracts, but the fact that he employed a clerk might be part of the explanation.²⁶

Second, a thick ledger in an uninventoried part of the Amsterdam archive.²⁷ The ledger is filled with unstamped loan forms, but only a small fraction of them was actually used. Liquor seller Hendrick Estinghuijsen used 22 forms during the years 1723-1725 and footwear seller Fransiscus de Witt filled in 63 during the period 1797-1799.²⁸ They both recorded the deference of payment allowed to seafarers about to embark. These seafarers promised to pay upon their return in the Republic.

Third, a collection of 816 private loans signed between 1737 and 1809, most of which were made on forms, has survived as well in an uninventoried part of the Amsterdam archive.²⁹ Notes on dozens of them provided a strong indication of why they have survived as a batch. On a bond signed 10 April 1796, for example, it was noted: 'The content of this plus interest received from the Lords Commissioners of the Insolvency Chamber of

25 ACA, Brants, inv.nrs. 1743, 1744A, 1744B. As these contracts were not checked against his business ledgers, it is not possible to say which share of his overall borrowing they represent. It is not unlikely, however, that they represented a major part of Bevel's external funding. The number of annual loans, for instance, increased as Bevel's career as silk merchant took off and diminished again during the last decade of his life. The number of annual loans was high (fourteen times ten or more per year), loans were often rolled over, and the loans represented large amounts of money (eleven times 100,000 *guldens* or more per year).

26 This is supported by the fact that the contracts are easy to read whereas contemporaries complained about Bevel's own handwriting. The presence of a clerk may have obviated the need to use loan forms. See Van Eeghen, *Archief*.

27 ACA, Collectie Stadsarchief Amsterdam: koopmansboeken (entry number 5060) (further Koopmansboeken), inv.nr. 128.

28 Estinghuijsen mostly sold gin and De Witt mostly shoes and boots. Numerous loans were also recorded on the back of the forms. See Christiaan van Bochove, 'Seafarers and shopkeepers. Credit in eighteenth-century Amsterdam', *Eighteenth-Century Studies* (forthcoming).

29 ACA, Collectie Stadsarchief Amsterdam: schuldbekentenissen en obligaties (entry number 926) (further Schuldbekentenissen). Some of these loans were recorded privately (handwritten but unstamped), others were recorded by a notary (handwritten but stamped).

this city following the 5% settlement of fl. 205:18.³⁰ Many other contained notes saying 'settled in the Insolvency Chamber'.³¹ Directed by this information around 90 percent of all loans could be linked to a borrower with a file in the Insolvency Chamber.³²

The Insolvency Chamber was established in 1643 and insolvency cases were delegated to it by the aldermen. Two changes in insolvency regulations were responsible for the survival of this set of bonds. The new insolvency rules of 1777, the first revision after more than a century, stipulated that all possessions of the insolvent henceforth had to be handed over to the Insolvency Chamber. Previously the insolvent regained control over his possessions after reaching a settlement with his lenders and he had to make payments to them himself. Through the new regulations the Insolvency Chamber itself took responsibility as a trustee for making payments to the lenders on behalf of the insolvent. Bonds that could be linked to an insolvency case all entered the Insolvency Chamber after 1777. Quite similarly the *Code de Commerce*, introduced per 1 March 1811, fundamentally changed insolvency law and led to the dissolution of the Insolvency Chamber. This second event made that the latest bonds entered the Insolvency Chamber in 1810. It is therefore fairly certain that these new insolvency rules, and not another reason, were responsible for the formation of this remarkable collection.³³

Combined these three collections shed light on the whole of Amsterdam's social ladder. Loans in the Insolvency Chamber collection ranged between as little as 20.25 *guldens* and as much as 25,000 *guldens*, but averaged 1,254 *guldens* with a median of 700 *guldens*. Although almost 72 percent of all loans were for 1,000 *guldens* or less, only four loans smaller

30 'Den inhoud dezes van Heeren Commissarisen der desolate boedel kamer dezer stad benevens inter: ontfangen volgens accord a vijff p c[to] met f205:18.'

31 'Afgehandeld in desolate boedelkamer.'

32 ACA, Archief van de Commissarissen van de Desolate Boedelkamer (entry number 5072) (further Desolate Boedelkamer). Record-linking was possible because the archive's inventory (*Archief van de Commissarissen van de Desolate Boedelkamer* [21 December 2010]) lists the names, occupations, and years of all persons who entered the Insolvency Chamber. It is not clear why the remaining borrowers could not be retrieved.

33 Goswin Moll, *De Desolate Boedelskamer te Amsterdam. Bijdrage tot de kennis van het oud-Hollandsch failliten-recht* (Amsterdam 1879); W.F.H. Oldewelt, 'Twee eeuwen Amsterdamse faillissementen en het verloop van de conjunctuur (1636 tot 1838)', *Tijdschrift voor Geschiedenis* 75 (1962) 421-435, 421-424; M. Aukema, 'Andere tijden. Boedelafwikkeling in de 17e en 18e eeuw', *Insolad Jaarboek* 2007 (2007) 13-26, 13, 16-19. It should be pointed out, however, that loan contracts have also survived in some insolvency files themselves. See, for instance, ACA, Koopmansboeken, inv.nr. 191 (for a 1701 form); ACA, Desolate Boedelkamer, inv.nrs. 3729, 5260.

than one hundred *guldens* were included. This collection thus mainly represents lenders and borrowers from middling groups, something that is confirmed by the occupations of insolvent borrowers.³⁴ The lack of really small loans might imply that at the left-hand side of the loan size distribution there existed a threshold below which people dealt with loans (or insolvencies) differently. It is here that the unstamped seafarer forms filled a lacuna. As shopkeepers Hendrick Estinghuijsen and Fransiscus de Witt belonged to Amsterdam's middling groups and they provided small loans to borrowers lower on the social and economic ladder. Estinghuijsen's loans ranged between 2.80 and 46.00 *guldens* and had average and median values of 14.66 and 10.50 *guldens*. De Witt's loans were even more modest. They ranged between 0.35 and 30.00 *guldens* and had average and median values of 6.22 and 4.80 *guldens*.³⁵ The recorded destinations included the Baltic, Greenland, Suriname, and the Mediterranean. This suggests that this type of form was widely used in a shipping town like Amsterdam.

Quite likewise, truly large loans are underrepresented at the right-hand side of the spectrum because insolvencies of important merchant houses were often taken care off in amicable settlements instead of through the Insolvency Chamber.³⁶ Bevel's loan contracts provide a good solution to this omission. That Bevel himself belonged to the elite is illustrated well by the fact that his daughter could bring 500,000 *guldens* into her marriage with a son of the respectable merchant family De Neufville. Bevel's borrowing was in line with what one would expect of an important merchant. The total sum borrowed through the loan contracts studied here adds up to around 2.6 million *guldens*. Loans ranged between as little as 50 *guldens* and as much as 50,000 *guldens*, but averaged 8,114 *guldens* with a median of 6,000 *guldens*. Bevel's lenders included burgomaster Egidius van den

34 *Archief van de Commissarissen van de Desolate Boedelkamer*. See Clé Lesger, 'Stagnatie en stabiliteit. De economie tussen 1730 en 1795', in: Willem Frijhoff and Maarten Prak (eds.), *Geschiedenis van Amsterdam II-2* (Amsterdam 2005) 219-265; Clé Lesger, 'De locatie van het Amsterdamse winkelbedrijf in de achttiende eeuw', *Tijdschrift voor Sociale en Economische Geschiedenis* 4 (2007) 35-70 for estimates of the size of this group.

35 People employed in the maritime sector could also raise loans in other ways. See Christiaan van Bochove and Ton van Velzen, 'Loans to Salaried Employees. The Case of the Dutch East India Company, 1602-1794', *European Review of Economic History* 18 (2014) 19-38. It is at this left-hand side of the spectrum where most pawnshop loans should be situated as well. See Anne E.C. McCants, 'Goods at pawn. The overlapping world of material possessions and family finance in early modern Amsterdam', *Social Science History* 31:2 (2007) 213-238; Pit Dehing and Marjolein 't Hart, 'Linking the fortunes: currency and banking, 1550-1800', in: 't Hart, Jonker and Van Zanden, *Financial history*, 37-63, 45.

36 Oldewelt, 'Amsterdamse faillissementen', 429.

Bempden and Elizabeth Tielens, one of the wealthiest people in the Republic and married to yet another burgomaster. Le Moine de l'Espine's merchant manual suggests that other merchants also widely used privately recorded loans.³⁷

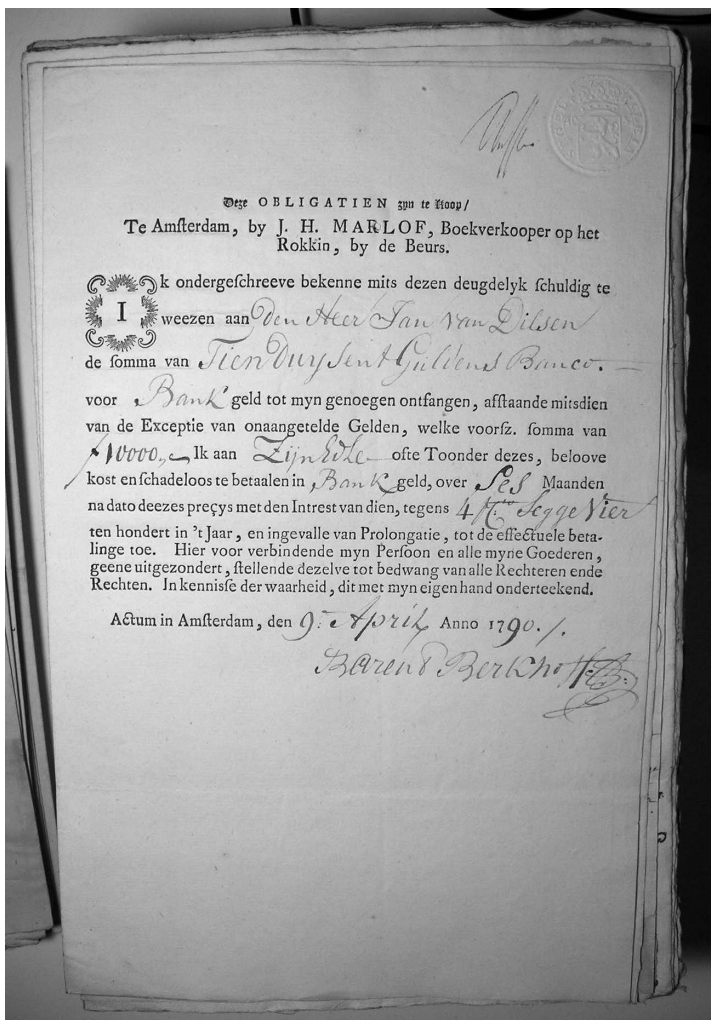


Figure 3. The basic loan form

Source: ACA, Schuldbekentenissen.

37 Kees Zandvliet, *De 250 rijksten van de Gouden Eeuw. Kapitaal, macht, familie en levensstijl* (Amsterdam 2006) 11-12. The differences between loans recorded in handwritten contracts and forms were modest. The average sizes were 8,220 and 7,007 *guldens* and median sizes were 6,000 and 6,250 *guldens*. Le Moine de l'Espine, *Koophandel*, 571-585.

5 The basic loan form

The forms available in the sources discussed above suggest that the basic form was for a borrower who offered a general mortgage ('myn Persoon en alle myne Goederen') as security for the loan (see Figure 3).³⁸ This was an informal loan that gave the lender a secondary claim on the borrower's possessions (as did notarised loans).³⁹ In case of insolvency, holders of secondary claims divided what was left after the preferential claims had been paid out.⁴⁰ Evidence in the insolvency files confirms that loan forms were treated accordingly. Loans and loan forms were thus defined and embedded in Amsterdam's legal structure. This is important because transactions would only be sustainable when they could be recorded in enforceable contracts. This basic contract seems to have functioned properly, but in one instance a borrower promised to sign a notarised deed when such would be demanded by the lender ('Ook verbindende mij desgerequireert wordende deese notariaal te passeren.'). This was presumably motivated by the fact that notarised deeds, contrary to privately recorded contracts, were considered authentic documents.⁴¹

On the form it could be specified whether the loan was received in cash ('contant' or 'courant') or in bank ('bank') money. The latter was only observed a few times because the artisans and traders that ended up in the Insolvency Chamber probably did not use the *Wisselbank* extensively.⁴²

38 J.H. Huerks and Dirk Claassen (borrowers) and the trustees of Wouter Lambertz' estate (lenders) on 27 July 1794 changed 'geld' into 'goederen' and 'onaangetelde gelden' into 'ongeleverde goederen' and turned the form into a deferred payments form. See Paolo Fulghieri and Eitan Goldman, 'The design of debt contracts', in: Anjan V. Thakor and Arnoud W.A. Boot (eds.), *Handbook of financial intermediation and banking* (Amsterdam 2008) 5-40 for a formal discussion of contract design.

39 The header on the forms sold by Gerret Boman (signed 3 May 1787) referred to the loans as 'Onderhandse obligatie'. In Thomas Thaarup's insolvency file (see below) the lenders referred to their loans in similar terms. See ACA, Desolate Boedelkamer, inv.nr. 6229.

40 Regulations issued by the town of Amsterdam stipulated that tax arrears and debts registered with the aldermen held preference in case of an insolvency. A tax levied by the Insolvency Chamber and the curator's salary also held preference. When a collateral was used that did not allow the lender to recover the full principal, the remainder would be included with the secondary claims. Moll, *Desolate boedelskamer*; Oldewelt, 'Amsterdamse faillissementen'; Aukema, 'Andere tijden'.

41 R. Huijbrecht, 'Het notariaat in de gewesten Holland en Zeeland', in: A.Fl. Gehlen and P.L. Nève (eds.), *Het notariaat in de Lage Landen (± 1250-1842). Opstellen over de geschiedenis van het notariaat in de Lage Landen vanaf de oorsprong tot in de negentiende eeuw* (Deventer 2005) 145-190.

42 Dehing, *Geld in Amsterdam, 133-136* performed quantitative and prosopographical research that confirms this.

Barend Berckhoff, who received 10,000 bank *guldens* from Jan van Dilsen on 9 April 1790, was one of the exceptions. Simon Bevel, however, used forms on which 'bank money' was already pre-printed.

The basic form was flexible in two ways. First, the loan could be rolled-over ('Prolongatie'). The revaluation that took place at this moment enabled lender and borrower to end a loan or to renew with or without changing loan terms.⁴³ To some forms the parties added that rolling over would automatically take place unless lender and borrower informed each other about redemptions some months in advance.⁴⁴ Jacoba de Clercq (lender) and Hendrik Smit (borrower) also added that annual instalments had to be made in case their loan would be rolled over. Only in few instances was the rolling over of a loan also explicitly recorded as such on the form.

Second, the instrument was transferable because the borrower recognised a debt to his lender or the bearer of the form ('ofte Toonder deezes'). Only one such transaction could be identified with certainty, however.⁴⁵ This transfer was made by Gerret van den Boll who had lent out 200 *guldens* on 4 March 1789 but sold this investment shortly afterwards. Boll noted on the form 'for me to bearer G. ter Veer' and already on 28 January and 19 May 1790 a Gerrit ter Veer signed for having received payments.⁴⁶ It is not surprising, however, that there is little evidence of such transfers. The use of general mortgages suggests after all that lenders initially felt comfortable about their borrowers' ability to repay. Obtaining even a rough measure of a borrower's net wealth surely will have required a certain level of familiarity. The downside of this familiarity was that it reduced the potential for transfers because lenders would have found it

43 This is what Simon Bevel experienced with respect to the interest rate of his one-year loan of 1 March 1698. While initially set at 5 percent it was lowered to 4 percent in 1703 but increased again to 4.5 percent in 1706. This suggests that in this part of the market both lenders and borrowers had to conform to market conditions.

44 As did widow Nolte (leender) and Casper Hendrik Prante (borrower) on 9 February 1789: 'Den leender & den geltopnemer zullen malkander drie maanden van te voorren waarschouwen om het op te eijzen of af te doen.'

45 As the information on the forms is incomplete, it is also difficult to establish whether a 'real' transfer had taken place. Take, for instance, the 500 *guldens* that Joseph Assel borrowed on 2 June 1793 from Magtel van Berkum. In the margin of the form it was noted (later, it seems) that the form belonged to a Joannes Engelbertus Verlinden ('toebehorende aan'). The form does not make clear how Joannes had become the owner. Amsterdam's marriage bans show, however, that the two had registered their marriage on 21 July 1785. Magtel had presumably died after lending the money to Assel, making Joannes her inheritor. See <http://stadsarchief.amsterdam.nl/archieven/archiefbank/indexen/ondertrouwregisters> (11 December 2012).

46 'Voor mijn aan toonder G. ter Veer'.

difficult to credibly convey their private information about a borrower's creditworthiness to a third party. Screening, monitoring, and enforcing would all have been more difficult for such a third party.

The existence of certain degrees of familiarity between lenders and borrowers is supported in quite some instances on forms in the Insolvency Chamber collection. In eighteen loans the relationship with the lender is explicitly given (e.g. 'my father') and on some thirty additional loans the family names of lender and borrower were the same. A further 135 can be identified if it is assumed that repeat transactions are a sign of familiarity.⁴⁷ The Bevel loans also provide compelling evidence of the importance of such relationships. Egidius van den Bempden provided 22 loans during the period 1699-1725, the longest found for Bevel's lenders. Similar long-term relationship existed with many others, the most important being Elizabeth Tielens who provided most loans (27) of all his lenders. Elizabeth probably was acquainted with Bevel through her father, the silk merchant Michiel Tielens.⁴⁸

Compared to other forms of paper wealth that were common in Amsterdam during (e.g. cashiers' notes, Holland bills, and East India Company shares) or after (e.g. paper money) the pre-industrial period, most of the private loans discussed in this article were thus not very liquid. They were not traded easily and their circulation was limited.⁴⁹ Endorsing loans to increase tradability, as was common with bills of exchange, was no option because loans could be rolled over. Whereas terms of bills of exchange were fixed and fairly short, they could become fairly long for loans. This created time horizons beyond which the original lender, or those who

47 Hoffman, Postel-Vinay and Rosenthal, *Priceless markets* follow a similar procedure for distinguishing between loans negotiated through networks and intermediaries. It should be noted that these close ties will also have made some lenders reluctant to demand repayment when their borrowers experienced financial difficulties. This is in line with the small settlement percentages found in the insolvency files, but these are consistent too with borrowers experiencing disastrous events. See Oldewelt, 'Amsterdamse faillissementen'.

48 Zandvliet, *Rijksten*, 11-12; Sjoukje Colenbrander, *Zolang de weefkunst bloeit. Zijdeveverijen in Amsterdam en Haarlem, 1585-1750* (Amsterdam 2010) 18, 59, 71-80.

49 The securities-backed loans discussed below may have been the main exception.

endorsed after him, were unwilling to vouch for the creditworthiness of the borrower (or each other).⁵⁰

6 Offering additional security

Lenders unwilling to lose money due to contingencies faced by their borrowers demanded additional security. Booksellers consequently also offered forms with the basic text to which sections on collateral or pledges were added. The first variant of this form (see Figure 4) added a paragraph for handing over collateral ('Pand der minne'). Not only the collateral was specified, but several other arrangements were made too. First, the borrower paid the storage costs ('de Huur'), remained solely liable for everything that could happen to the goods, and could not access the goods prior to full repayment of the loan.⁵¹ Second, the contract included a margin call stipulation. This forced the borrower to post additional collateral in case prices decreased.⁵² Third, if the borrower did not honour the contract the lender was only held to a twenty-four hour warning period before he could sell or auction the goods ('24 uren voor af 't zy mondeling of schriftelyk gewaarschouwd'). Surpluses, however, should be returned to the borrower whereas he remained liable for any deficits.

A special type of collateralised loan form was designed for the use of securities.⁵³ These forms were called *Beleenings-Obligatiën en Renverzaalen* (see Figure 5). This form must have been used quite frequently because of

50 Joost Jonker, 'Kassierspapier', in: Jan Lucassen (ed.), *Gids van de papiergeld-verzameling van het Nederlandsch Economisch-Historisch Archief. Catalogus van de collectie tot circa 1850* (Amsterdam 1992) 107-119; Jonker, *Merchants, bankers, and middlemen, 173-177*; Lodewijk Petram, 'The world's first stock exchange. How the Amsterdam market for Dutch East India Company shares became a modern securities market, 1602-1700' (dissertation University of Amsterdam 2011, <http://dare.uva.nl>); Christiaan van Bochove, 'Configuring financial markets in preindustrial Europe', *The Journal of Economic History* 73:1 (2013) 247-278. Collateral theoretically solved such problems, but transferring collateral from one warehouse to the other was unpractical.

51 On the second: 'het perykel van Diefstal, Brand, Rovery, Plonderinge, Vermindering, Bederfelykheid, en 't geene verders zouden kunnen overkomen'. On the third: 'gemelde goederen zullen ook niet weggehaalt mogen worden, voor en al eer 't voorgemelde Capitaal, benevens Interesse en Onkosten daar op verschoten, betaald en voldaan zullen wezen'.

52 'ingevalle de voornoemde goederen in prys mogten komen te daalen, zo verbinde [...] op vermaninge aanstonds het verschil der mindere waarde te supplereen'.

53 Such a form sold by J.H. Marlof is also available on the website CollectWeb (Corné Akkermans Veilingen, item 7633, <http://www.collectweb.nl/item/7633/>, 11 December 2012).

the large amounts of domestic and foreign securities issued in Amsterdam and the Republic.⁵⁴ Contrary to the other forms this form treated rolling over as the default option. Lenders and borrowers had to inform each other a certain time in advance if they wished to cancel the loan. The remaining conditions were similar to the regular form, but the margin call stipulation allowed one to specify exactly the loan to value ratio of the collateral.

Another variant of the basic form allowed the borrower to add a pledge to the contract (see Figure 6). Promises like this were not simply paper promises. F.W. Muller experienced this in 1789 when (s)he had to pay the 200 *gulden* loan borrowed by Jean Daniel Gradelle in 1782.

While these variant forms thus broadened the group of users it should be taken into account that people not always used them to complete such transactions. Some used the basic form and added themselves that a collateral had been handed over. This is, for instance, what Joannes van der Bergh did on 18 July 1792 when he borrowed 400 *gulden* from Jan van Bleijenberg's widow.⁵⁵ No specific form was required for adding pledges either. When Jacob Scheenen borrowed 200 *gulden* from Christiaan Haarkop on 15 December 1790 Paulus Knuijt was simply added as a pledge.⁵⁶

54 For a discussion of this type of financial transaction see Joost Jonker, *Merchants, bankers, and middlemen*.

55 'Daar voor in pand der mine een kustinbrief op een huijs staande voor aan in de Nes van outs genaamt 't Melk Meijsje.'

56 'Ik ondergetekende stele mij als borg voor de bovenstaande soma te voldoen ingevalle bovengetekende mogte komen te manqueren.'

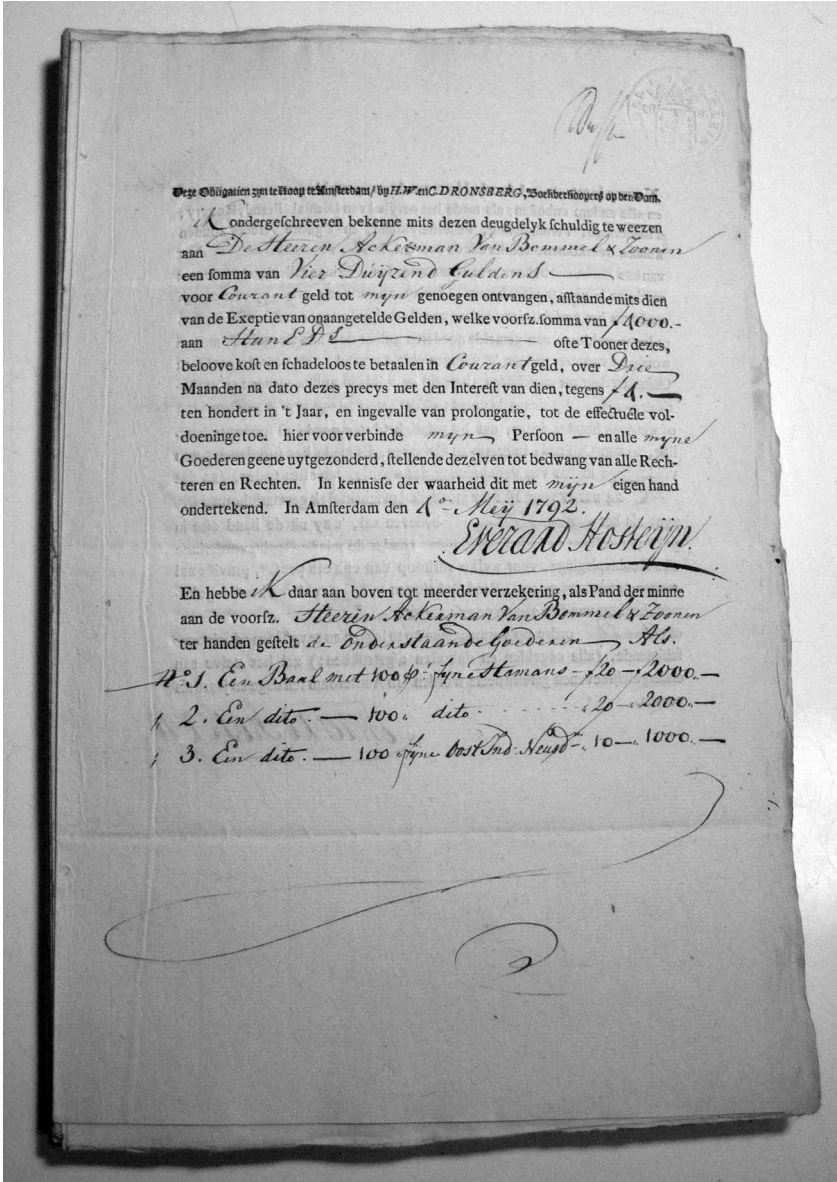


Figure 4a. Form for collateralized loans

Source: ACA, Schuldbekentenissen.

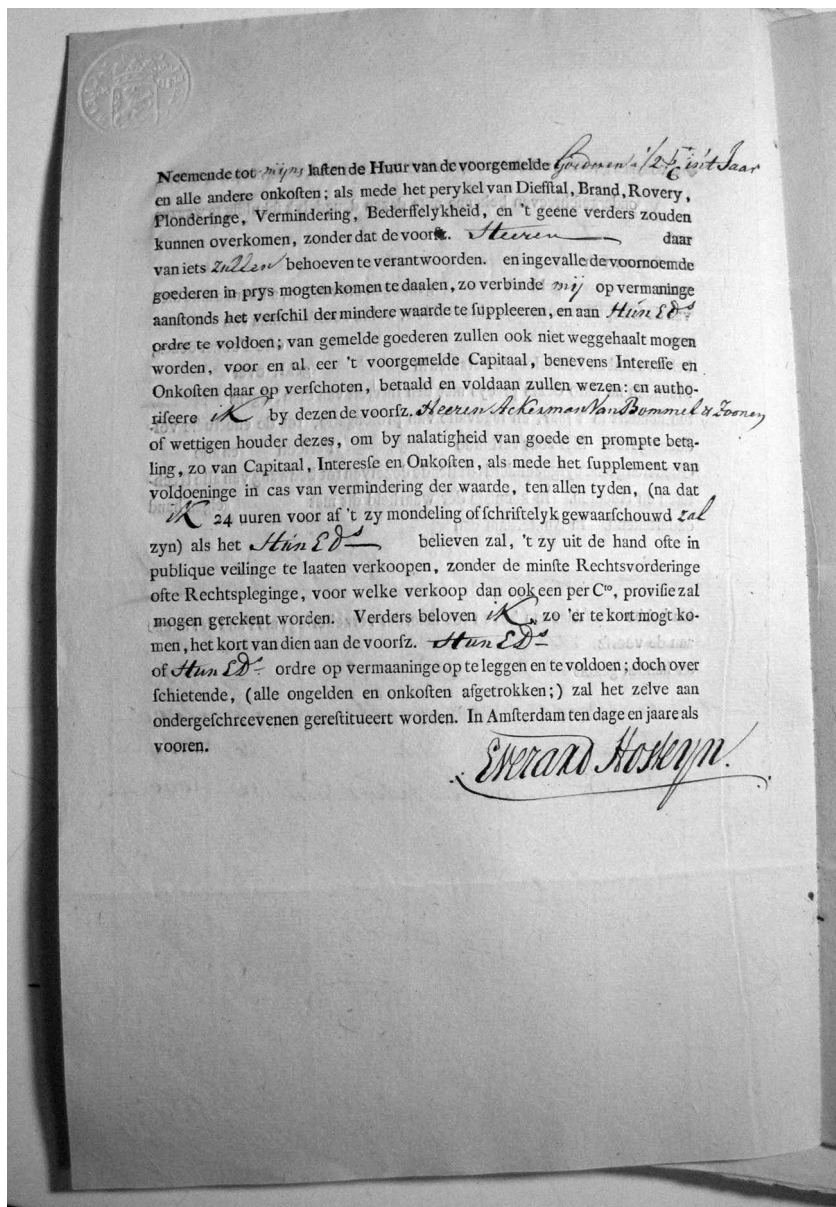


Figure 4b. Form for collateralized loans

Source: ACA, Schuldbekentenissen.

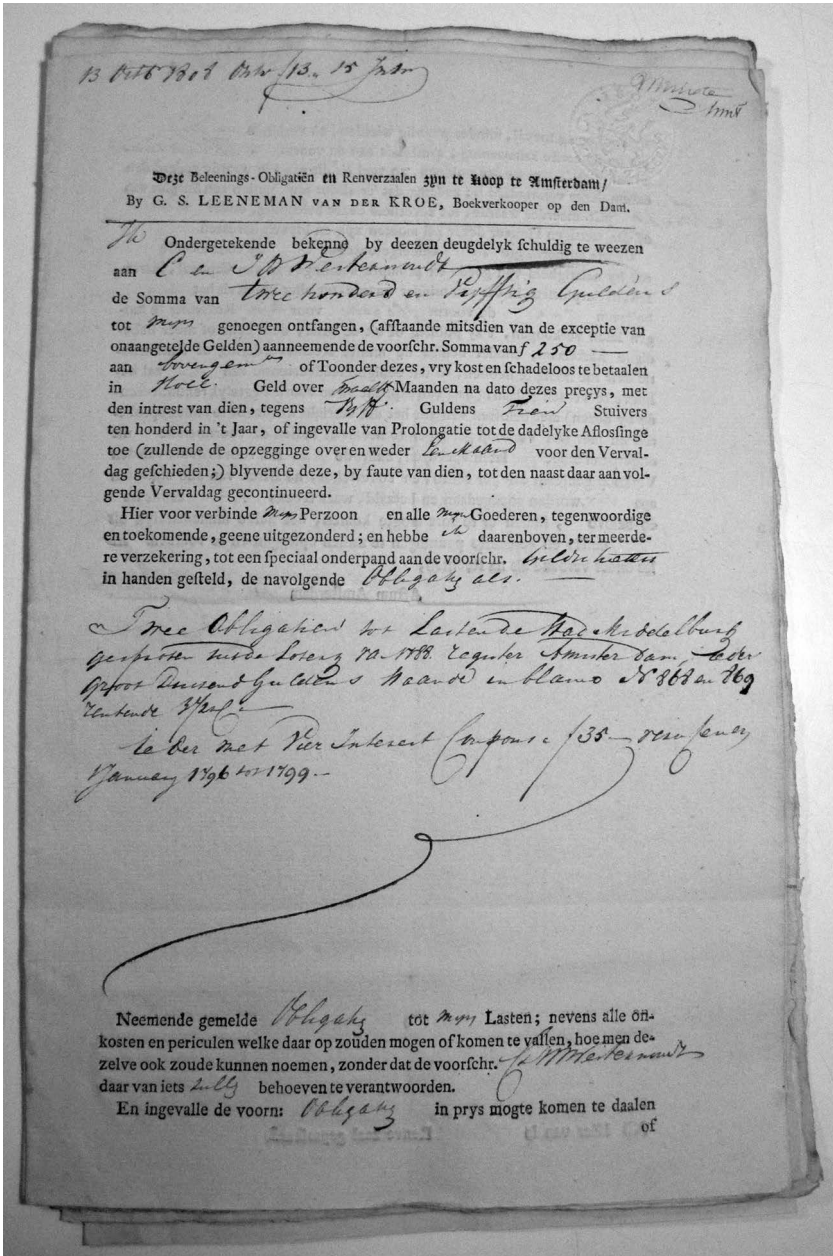


Figure 5a. Form for loans with securities as collateral

Source: ACA, Schuldbekentenissen.

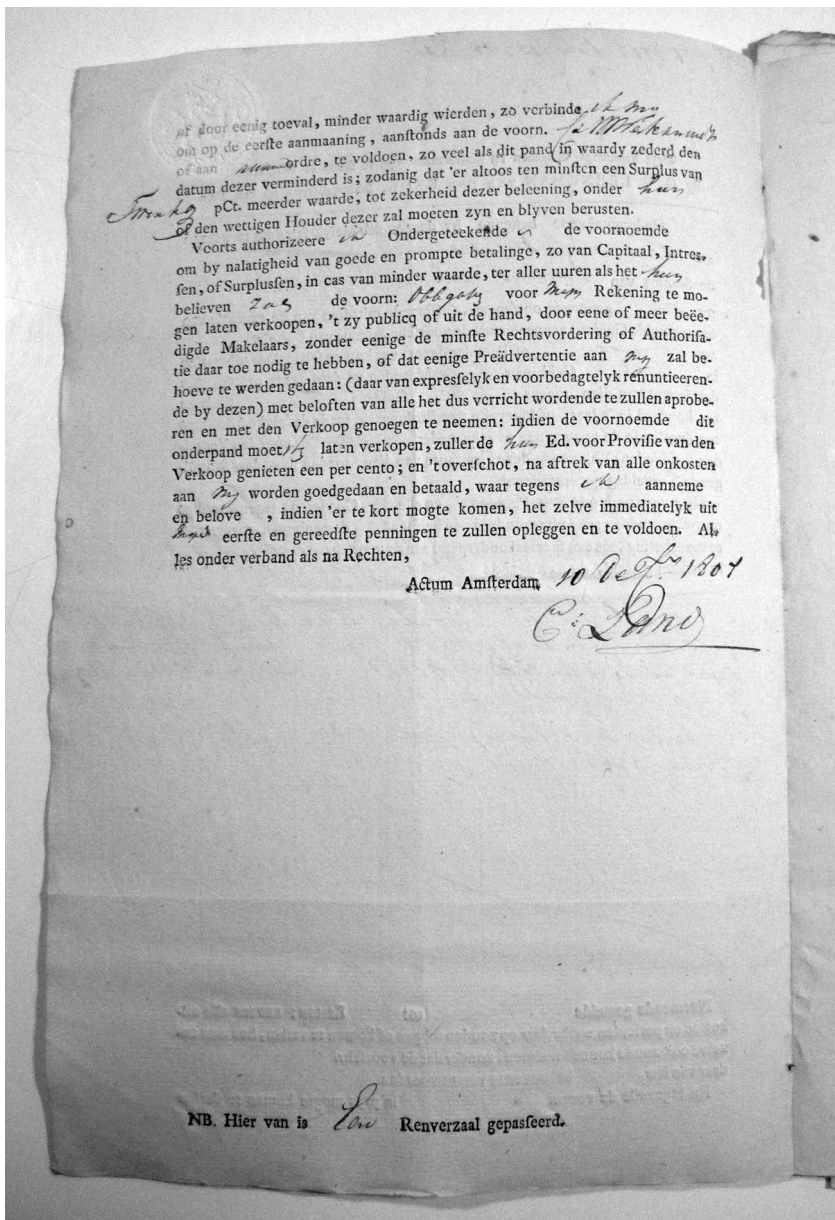


Figure 5b. Form for loans with securities as collateral

Source: ACA, Schuldbekentenissen.

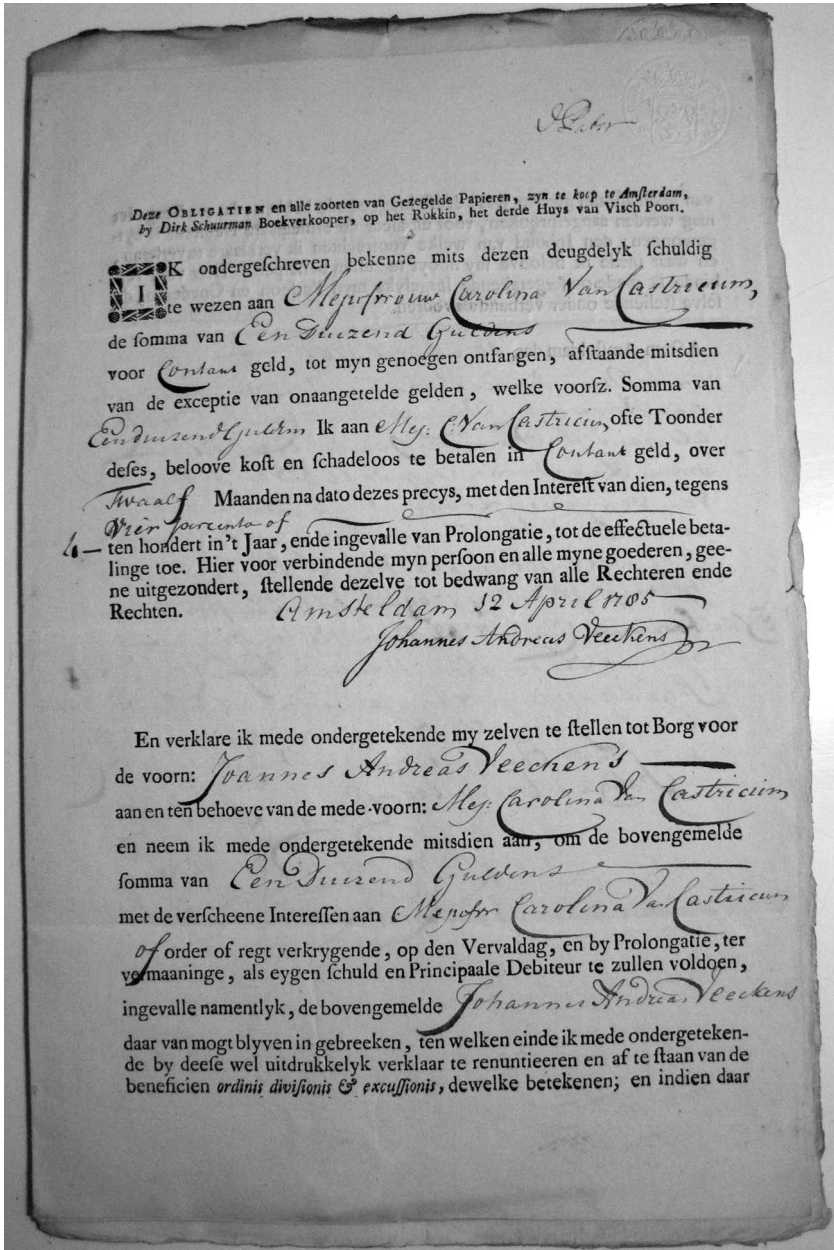


Figure 6a. Form for loans with pledges

Source: ACA, Schuldbekentenissen.

van geen afstand gedaan was, deese kragt zoude hebben, dat een Borg niet mag werden aangesprooken, voor en aleer de Principaale Debiteur is tuyt gewonnen; den Inhoud van welke voorrechten ik verklaare te verstaan, en waar mede ik beloove my nooyt te zullen behelpen. Hier voor verbinde ik mede-ongergetekende insgelyks myn Perfoon en Goederen, de selve stellende onder verband als vooren.

Actum Amsteldam den 32 April 1705

enter Meerder Zekerheid is door My on dorgebeets van Meergem. Meesproovius Carolus W. Castreum als pand des Ommen in Janse Redeld omme daer mede in gevalle van Wanbekaalen van voorscreven Lomben na te ritten te brengen hand t. te Weer — twee porties in de Lijfrent Boekere. Abundans Messer Spes semenanen. opgeens pro May 1769 — als Een portie in de Elfde Kortende Cluse N^o 82 staande ten myn Lijf a op myn Naam, En de to in de ^{Recht} Cluse N^o 84 staande op myn Naam, en ten Lijf Messer Pieter Cornelis Jannetta Kagtglas — En een portie in de fonds Cendragt maakt Maakt in de 17 Cluse N^o 8692 — Groof. 100 — Amst. 12 April 1785.

Petrus Veechens,

Figure 6b. Form for loans with pledges

Source: ACA, Schuldbekentenissen.

7 Specific target groups

The foregoing forms did not suffice for all borrowers, however. For at least two of such groups, multiple borrowers and seafarers, specific forms were found. The first one existed for business partners and married couples. The one for married couples appeared frequently in the Insolvency Chamber collection (see Figure 7). This standardised text took care of two things. First, the wife relinquished the protected legal position she had in Amsterdam (and elsewhere in the Republic). Lenders who wanted to have recourse to all household possession therefore required married borrowers to use this form. Second, it made sure that the husband could not refer the lender to his wife, and the other way around. They were both fully liable.⁵⁷

The second kind of form concerned deferred payments for goods sold to seafarers (see Figure 8). These forms recorded the goods and their value as well as the name of the seafarer's ship, its captain, and its destination. Such information was important because payments would only be due when a seafarer safely returned to the Republic. Since no payments were due when a ship sank the forms were called *Brieven op behouden Reyse*, or notes on safe arrival.⁵⁸ The borrower attached his person and goods as well as his salary ('maand-gelden') as security for repayment upon his return. Like all other forms, this form was also payable to bearer. The seafarer forms differed from the others in that they were unstamped and two of them were printed on one piece of A4-size paper. This suggests that for smaller loans the combined costs for stamp duty (and litigation) and form were deemed too high. Lenders and borrowers, helped by the booksellers, thus reduced transaction costs by economising on paper and by lending without a stamp.

57 The form for business partners addressed the latter too: 'Wy Ondergeschrevene bekennen te zamen, en elk een voor 't geheel (onder renuntiatie van de Beneficien van divisie, excussie, en de ordre, als den effecte derzelve verstaande) deugdelyk schuldig te wezen [...].'

58 Salvaged goods were not taken into consideration ('en soo by verongelukken of schade van het Schip, yets van dese Goederen geborgen of gesalveert mogte worden, zal het tot voordeel of profijt van den eygenaar komen').

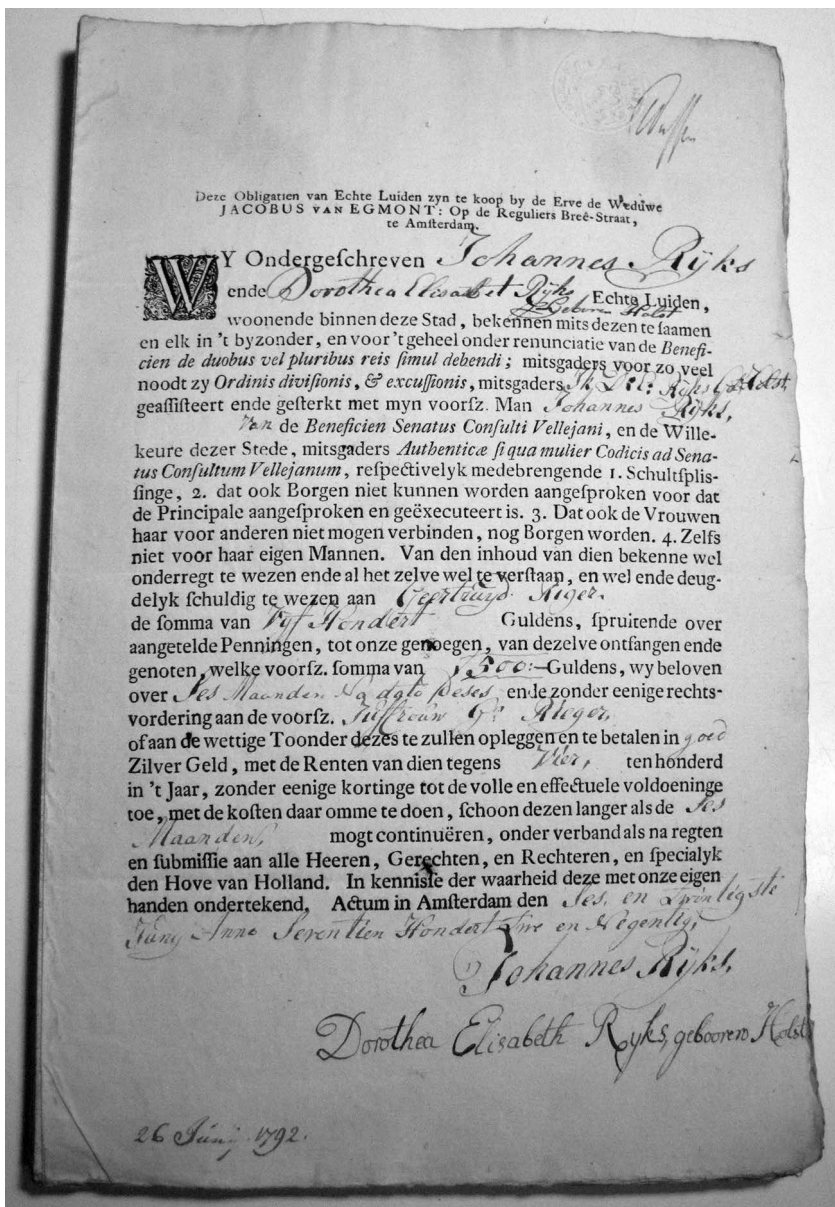


Figure 7. Form for loans to married couples

Source: ACA, Schuldbekentenissen.

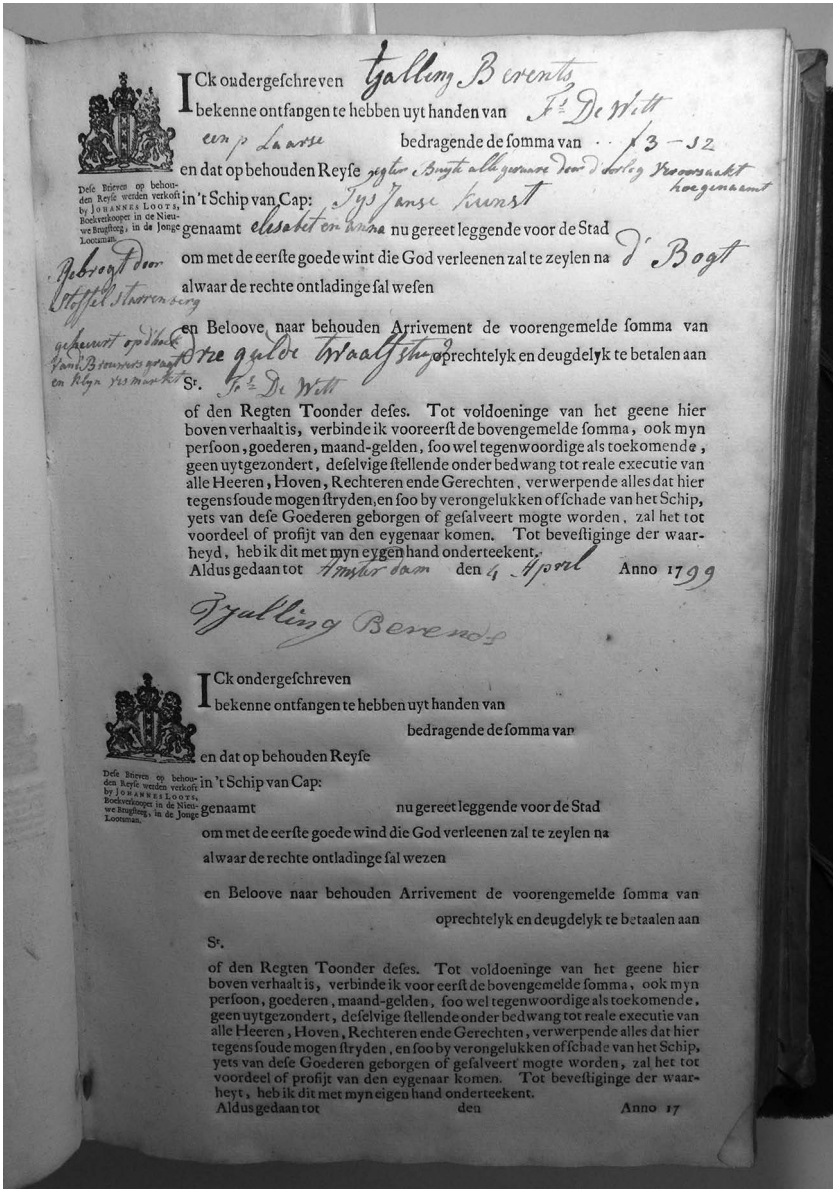


Figure 8. Form for recording deferred payments of sailors

Source: ACA, Koopmansboeken.

8 Purchase and use of loan forms

No information about the daily use of loan forms is available from secondary sources, but the forms in the Insolvency Chamber collection yield some insights. The case of merchant-skipper Thomas Thaarup, the most frequently appearing borrower in the Insolvency Chamber collection, sheds light on the purchase of loan forms, for instance.⁵⁹ In 1796 Thaarup received goods and money with a value of just under 60,000 *guldens* from eighteen different people. All these transactions were recognised through loan forms. As Thaarup's ship was confiscated as prize by the English in the West Indies, he could not honour these financial obligations and his case consequently entered the Insolvency Chamber on 8 September 1800. Thaarup signed the forms of five booksellers situated in the commercial district (see Table 1).⁶⁰ This shows that Thaarup had not bought one big

Table 1. Loan forms signed by Thomas Thaarup in 1796

Date	Bookshop	Year in stamp
10 April	Jacobus Vriese	1796
	J.H. Marlof	1796
12 April	J.H. Marlof	1796
18 April	J.H. Marlof	1796
19 April	Weduwe H.W. & C. Dronsberg	1796
22 April	J.H. Marlof	1796
25 April	Jacobus Vriese	1796
	Jacobus Vriese	1796
30 April	Jacobus Vriese	1796
5 May	A. van der Kroe	1795
9 May	A. van der Kroe	1795
	J.H. Marlof	1796
12 May	Jacobus Vriese	1795
	Jacobus Vriese	1795
17 May	A. van der Kroe	1796
20 May	Barend Kramer	1795
6 June	J.H. Marlof	1796
9 June	J.H. Marlof	1796

Source: ACA, Schuldbekentenissen.

⁵⁹ ACA, Desolate Boedelkamer, inv.nr. 6229.

⁶⁰ Widow H.W. & C. Dronsberg (one) and A. van der Kroe (three) were located on Dam Square, Barend Kramer (one) and J.H. Marlof (seven) at the Rokin, and Jacobus Vriese (six) in the Kalverstraat. See Van de Graft, *Lotgevallen* on the Dronsberg company.

stack of forms in anticipation of business transactions. Thaarup may occasionally have purchased several forms, but it is not unlikely that forms were purchased only once a deal was negotiated or that they already were in the possession of the lender.

Table 2. A comparison of years of signing and stamping of loan form

Year signed – year stamped	Number	Share
-10	1	0.1%
-6	1	0.1%
-4	1	0.1%
-3	4	0.5%
-2	1	0.1%
-1	12	1.5%
0	486	62.1%
1	226	28.9%
2	22	2.8%
3	16	2.0%
4	6	0.8%
5	1	0.1%
9	2	0.3%
11	1	0.1%
18	1	0.1%
25	1	0.1%

Source: ACA, Schuldbekentenissen.

Note: Based on the 782 forms for which unambiguous information was available. Around 75 percent of the loans with a stamp from the previous year (i.e. +1), were signed in the first six months of the new year.

The latter might be supported by the forms from bookseller Jacobus Vriese that Thaarup signed. Two of those were stamped in 1795 but signed on 12 May 1796, while four were stamped in 1796 and signed on 10, 25, and 30 April. Since Vriese would have sold his old inventory first, it would be much of a coincidence if Thaarup had purchased Vriese's last 1795 forms and his first 1796 forms. This only leaves the possibility that some lenders had forms at hand in anticipation of business opportunities. This is supported by Table 2, which shows that one-year old forms were quite frequently used. Table 2 also provides evidence of loans that were signed 'before' they were stamped. These most likely represented oral loans that were now recorded in writing.

Once a form was purchased the contracting parties had to record the loan details. Figures 3-8 illustrate how this was done. However, on 22 January 1790 Jan Adriaan de Lange (borrower) and Christian van Orsoy

(lender) agreed on a redemption scheme a little more elaborate than commonly used. Whereas most redeemed in full when a loan matured, De Lange would repay the first quarter on 8 February 1791 and additional quarters in the subsequent years.⁶¹

Most borrowers signed with their name, but a mark was sometimes used as well. On 16 August 1792 Dirk Weesing signed himself, but his wife Geertruy Wilthaagen used her mark ('dit is haar merk'). They did the same on 6 February 1793. On another form it was recorded on 18 June 1793 'Dit is t merk van de weduwe Swiering'.

When a form had been completed, interest payments and redemptions were often recorded on it as well. Fourteen annual interest payments of 10 *guldens* were recorded, for instance, on the 250 *gulden* loan that Fredrik van Brummelen made to Johannes Heedenrijk in 1792. Jurjan Grutter received three redemptions of 50 *guldens* on the 400 *gulden* loan made to Johannis Palick in 1793. Nothing was recorded on Pieter Ebeling's loan to Salomon Mijer (24 April 1780). On the back it was merely recorded, perhaps by the Insolvency Chamber, that ten interest payments had been made.⁶² Jurrian Mijling twice rolled over the 500 *guldens* he had borrowed for twelve months on 6 February 1781 and, exceptionally, recorded this on the form.⁶³ Despite the absence of such notes on most loans, rolling over occurred frequently. Since many loans were signed long before insolvency this should not be interpreted as an inability to pay.

9 Intermediation

The foregoing presumably related to loans on a non-intermediated credit market in which lenders and borrowers were familiar with each other. This

61 'De bovenstaande somma sal betalen in vier termijnen te weeten p^{mo} februarij 1791 een vierde part en so vervolgens alle jaren een vierde part met de verscheenen intressen ijder jaar.' Cornelis Lugt (borrower) and Leendert Buitenpost (lender) also did something uncommon when they added a second loan to the existing one. 'Ontfangen van de boovestaande Mons' L^d Buijtenpost de somma van vijfhonderd guldens op conditie als booven.' The first loan was dated 1 May 1790 and the second 1 May 1792. The loan terms show that accrued interest can not have been the (sole) reason for this second loan.

62 '10 de intressen zijn betaald van A^o 1780 af tot 1790.'

63 'Gebrolongeeert (sic!) voor nog een jaar'.

obviously does not preclude the existence of a credit market where demand and supply were brought together by intermediaries.⁶⁴ The ability to include additional security through collateral or pledges made loan forms suitable for use on this anonymous part of the market as well. However, by design, the Insolvency Chamber collection is not adequate for establishing the existence of such a market and the use of loan forms on it. After all, when matching lenders to unfamiliar borrowers, brokers would likely have suggested the inclusion of collateral or pledges in the loan contract. Alternatively, they could have rationed credit to their most reliable and creditworthy borrowers. Both strategies would have resulted in high-quality loans unlikely to default and show up in the Insolvency Chamber.

The Insolvency Chamber collection nevertheless contains references to brokers on three loan forms. On two of these was written that the transaction was recorded in the presence of a broker: Adrianus Mulder on 2 May 1786 and Ermeling & Scheper on 19 September 1789. To the third form was added that redemptions should be announced or demanded via brokers Tidemans & Scholten (24 November 1773). No collateral or pledges were included in these loans, but the lenders may have felt secure because in all three instances they had recourse to more than one borrower: a married coupled once and two business partners twice.

Further details about this intermediated credit market cannot be established through the three collections analysed in this article. However, the elaborate explanation in Le Moine de l'Espine's merchant manual of how brokers brought together demand for and supply of collateralised loans suggests that the market may have been substantial. This may be confirmed by the fact that, according to Le Moine de l'Espine, such loans were typically recorded on loan forms.⁶⁵ This suggests that in pre-industrial Amsterdam there not only existed a large non-intermediated credit market, but also a large intermediated one. Establishing how large these segments were relative to each other and whether the Amsterdam credit

64 See Naomi R. Lamoreaux, Daniel M. G. Raff and Peter Temin, 'Beyond markets and hierarchies. Toward a new synthesis of American business history', *The American Historical Review* 108 (2003) 404-433 for a discussion of these different ways of organising transactions.

65 'Dese Beleeningen, geschieden meest altydt door bemiddeling van Maakelaars, die haar werk daarvan maaken, om de gene die meer Goederen als geldt hebben, een Capitaal daarop ter leen te besorgen, en den Renteniens of Beleenders goede en suffisante Onderpanden te beschikken.' Le Moine de l'Espine, *Koophandel*, 573-574.

market primarily relied on the market (non-intermediated) or banks (intermediated) is unfortunately not possible.⁶⁶

10 Conclusion

Three archival collections allowed this article to uncover a large private credit market in early modern Amsterdam. As became clear, however, these sources mostly related to a part of that market which relied on networks for bringing together demand and supply and where loans were recorded on (un)stamped loan forms. Orally recorded loans, (un)stamped handwritten loan contracts, and intermediated credit thus remained understudied and warrant more research. Necessary too is a deeper insight into the mechanisms guiding the choice of contract – Simon Bevel used various options alongside each other, after all – and the channel through which credit was obtained. Yet, even despite these caveats, De Vries and Van der Woude's hoarding hypothesis is hard to reconcile with what clearly was an active and substantial private credit market.

More importantly perhaps than the size of Amsterdam's private credit market was the fact that a large part of the population could participate in this market. The diversity of form types allowed lenders and borrowers in all segments of society to shape their transactions in satisfactory ways. This also meant, for instance, that rich people were not restricted to the securities-backed loans discussed by Jonker, but that they could also make their wealth available through loans that were secured in other ways (e.g. on the collateral of merchant goods). The broad use of forms is confirmed by the size of the loan sums, which ranged between as little as 0.35 *guldens* and as much as 50,000 *guldens*, as well as the wide range of occupations of borrowers (from ordinary seafarers to a wealthy silk merchant) and lenders (from shopkeepers to rentiers).

The explanation for the success of loan forms is threefold. First, forms were formulated in the proper legal terms. This meant that a score of regular transactions could be cast in appropriate terms without the legal advice of notaries, for instance. While contracting outside notarial offices kept transaction costs low, loan forms were still embedded in the Dutch Republic's legal system. Second, forms were tailored to the needs of lenders and borrowers. Loans could be secured by adding all sorts of collateral, by

66 Cf. Ann M. Carlos and Larry Neal, 'Amsterdam and London as financial centers in the eighteenth century', *Financial History Review* 18:1 (2011) 21-46.

naming pledges, and by including additional borrowers. These techniques mitigated the lenders' need to spread risks and ration credit and allowed merchants like Simon Bevel to obtain large sums from a single lender. Third, the threshold for using forms was low. Forms were cheap and were sold by well over a hundred bookshops across town. These were not only situated in the city centre, but also in Amsterdam's poorer neighbourhoods.

The Amsterdam case thus shows that pre-industrial credit markets could mobilise a lot of money. Lenders and borrowers presumably capitalised on the familiarity created through the shared membership of churches, guilds, and militias, living in the same neighbourhood, by doing business with each other, or simply by being friends or belonging to the same family. Where these networks did not suffice, moreover, brokers stood ready to match lenders and borrowers. The credit market that this sustained in the Dutch Republic (and the Kingdom of The Netherlands afterwards), together with the common use of securities-backed loans there, may be part of the explanation for why banks only emerged once industry truly became capital intensive. As long as networks and non-bank intermediaries provided cheap and easy access to secure loans, the market was too thin for banks to emerge. The Amsterdam case therefore shows that financial markets should not be assessed by the presence or absence of banks, but rather by what they could accomplish.

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